

MINUTES OF THE NATURAL HERITAGE TRUST
BOARD MEETING
December 17, 2019

ATTENDEES:

BOARD MEMBERS

Erik Kulleseid	Commissioner, NYS Office of Parks, Recreation and Historic Preservation
Dr. Lucy R. Waletzky	Chair, New York State Council of Parks
Jeff Stefanko	Designee for Commissioner Basil Seggos Deputy Commissioner for Administration NYS Department of Environmental Conservation
Sarah Crowell	Designee for Secretary of State Rossana Rosado Director, Office of Planning, Development & Community Infrastructure NYS Department of State

STAFF

Allen G. Payne	NHT Executive Director
Sarah Purcell	NHT Deputy Director & CFO
Andrea Buniak	NHT Development Associate

OTHER ATTENDEES

Jenny O'Neill	NHT Certified Public Accountant (CPA)
Matt Davidson	Deputy Commissioner for Resource Development, OPRHP
Karen Mintzer	General Counsel, OPRHP
Maggie Clements	Senior Attorney, OPRHP

Materials provided in the December 17th, 2019 Board of Directors Briefing Books included:

- Agenda
- Draft minutes of June 25, 2019 Board meeting
- Natural Heritage Trust By-laws
- Authority Budget Office Board Member Training and relevant Policy Guidance
- Proposed revisions (red-lined) of NHT Employee Handbook (last revised 2018)
- Administrative Organizational Chart and Job Descriptions
- FY 2019-20 Revised Operating Budget Memorandum
- FY 2020-21 NHT Fringe Benefit Rate Assessment
- Proposed NHT Administrative Staff Operating Budget for FY 2020-21
- Balance Sheet and Investment Performance Overview through 10/31/19
- Donor and Grant Report through 10/31/19
- Project Account Activity Summary through 10/31/19

Commissioner Kulleseid called the meeting of the Natural Heritage Trust (NHT) to order at 2:02 p.m.

Approval of June 2019 Meeting Minutes

Allen Payne asked for a motion approving the minutes from the June 25, 2019 Board meeting.

- *Moved by Jeff Stefanko, seconded by Lucy Waletzky and unanimously approved.*

Executive Director's Report

Allen Payne first noted that General Counsel Karen Mintzer will be leaving OPRHP and thus NHT after two years. Senior Attorney Maggie Clements will succeed her as NHT General Counsel.

Mr. Payne then provided a summary of fundraising projects, programs and partnerships:

Ralph C. Wilson, Jr. Foundation:

The NHT is at a midpoint of Foundation's first grant to the NHT of \$6.5M, which came in 2018 to support recreational trails in Western New York State. This project included five "Gateways," or kiosks located along the Western NY portion of the Empire State Trail and will provide information and amenities in the region. The first Gateway was completed in November at Buffalo Harbor State Park. The grant also includes funding for several projects connected to the Shoreline Trail which will advance more in 2020.

The Foundation granted the NHT an additional \$6.4M in August for trail improvement from Rochester to Letchworth State Park in partnership with the Genesee Valley Greenway.

The NHT and State Parks met with the Foundation in June to discuss their interest in funding the "Ladders to the Outdoors" program. The Foundation invited an application, which was submitted in November for \$900k to cover staffing and equipment costs for the program in five Western New York counties.

Jones Beach Energy and Nature Center

The NHT is one of many partners on the Jones Beach Energy and Nature Center, which continues to move forward and expand. Ground was broken on the project and the NHT continues to assist through fundraising for exhibits and exhibit content. The Rauch Foundation has pledged strong support through their three-year, \$150,000 grant. The grant is designated for the installation and fabrication of exhibits, developing educational curriculum and creating workbooks and materials.

Autism Nature Trail

The NHT is beginning a campaign for the Autism Nature Trail (ANT) at Letchworth State Park. The project aims to provide an outdoor experience for everyone, especially people and families with autism spectrum disorder. The initial investment to begin construction and programming at the trail is \$3M; private fundraising has already brought in \$2M to date, so the NHT will assist in campaigning for the next \$1M in order to break ground.

Deputy Director & CFO Report

Sarah Purcell provided several updates:

Governance and Auditing Contract

Board and Committee Goals had been included in the Board briefing materials as well as the NHT by-laws, the latter of which she suggested may be updated with the Committees.

Ms. Purcell noted that it was time to seek proposals for a new independent auditing services contract; the five-year contract was up. The Audit Committee and Management would be involved in the selection process and the recommendation of the new auditing contract would be presented at the March 2020 meeting.

NHT Employee Handbook

The revised employee handbook was then presented. The handbook was last updated in 2017 with the new retiree health benefit policy, but this revision has no real substantive changes. Updates include direction on schedule changes for staff, updated web links, and an update to the most recent information regarding the Paid Family Leave program.

Allen Payne then asked for a motion to approve Resolution # 2019-9 Approving the Revised Employee Handbook:

- *Moved by Erik Kulleseid, seconded by Lucy Waletzky and unanimously approved.*

2020-21 Proposed Administrative Operating Budget

Sarah then proceeded to outline the preliminary budget and provide an update on the current year. Operating Budget is only representative of NHT Administrative Office, not program and project staff. An organizational chart and job description for NHT Administrative Staff was also included.

She summarized the Current Year Revisions: Revenue remained on target overall, with the possibility of less administrative income offset by better-than-anticipated investment income; Expenditure revisions related to the transition of a full-time Parks employee previously assigned in-kind to the NHT, who moved to the NHT payroll; and the NHT's financial accounting system required updates that weren't originally anticipated or budgeted. Still, with these changes a small overall budget surplus is still anticipated this fiscal year.

Sarah then summarized the annual Budget process to the Board: Allen and Sarah first produce the preliminary budget and present to the Board, then post it to the NHT website for public comment; any public comments would be shared with the Board, then unless something changed to drastically change estimates, the same budget would be presented at the March meeting for adoption.

The Proposed Budget for Fiscal Year 2020-21 is similar to this year's Revised Budget, differing only in that the Proposed has less indirect administrative income. The Proposed Budget and projected out-years use the same staffing structure as the Revised 2020-21 Budget, with seven FTEs (two current vacancies) and 2% cost of living adjustments.

Allen Payne then asked for a motion to approve Resolution # 2019-7 Approving Preliminary Budget Plan for the 2020-21 Fiscal Year to be posted:

- *Moved by Erik Kulleseid, seconded by Jeff Stefanko and unanimously approved.*

Signature Authorization

Since 2008, long-time State Parks and NHT General Counsel Paul Laudato was an authorized signatory on all NHT Bank and Investment Accounts, before retiring earlier this year. To update the accounts authorizing Allen and Sarah as the current authorized signatories, some institutions require an official Board resolution. Resolution #2019-8 provides this authorization.

Allen Payne then asked for a motion to approve Resolution # 2019-8 Approving Signatories for Banking and Investment Account Authority:

- *Moved by Lucy Waletzky, seconded by Erik Kulleseid and unanimously approved.*

Other Financial Updates

Sarah Purcell reported that as of October 31, 2019 over \$50M was invested with Wilmington Trust Investment Advisors. Including its cash accounts, NHT had just under \$56M in total assets for the reporting period.

She reported the OPEB (Other Post-Employment Benefits) liability of over \$2M will likely continue to decrease as a result of retiree health benefit program changes implemented two years ago. She also reported that after accounting for all Fiduciary liabilities, there is currently a Fund Balance of approximately \$2.5M remaining, representing over two years worth of operating reserve funds. Sarah suggested that she would formally recommend the Board designate those funds as a Board-restricted reserve for operating costs at another Board meeting after consultation with the Governance Committee.

Finally, Sarah noted that for additional clarity, the project account activity pages highlighted accounts that were specific to endowments, staffing contracts and accounts that were inactive (no revenue or expenses for at least a year). For the inactive accounts, NHT would plan reach out to the Regions to discuss and re-program the funds, where appropriate in order to put them to work.

Adjournment

There being no further business, Allen Payne asked for a motion to adjourn the meeting.

- *Moved by Lucy Waletzky, seconded by Jeff Stefanko and unanimously approved.*

Meeting adjourned at 2:56 p.m.

Respectfully Submitted,

Andrea Buniak
NHT Secretary